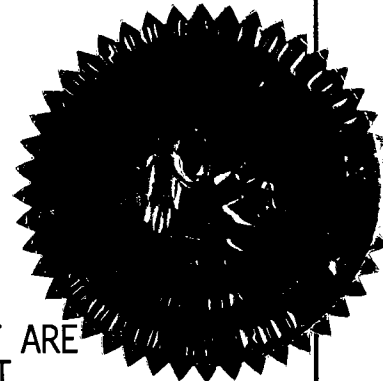


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001148-EI

In the Matter of

REVIEW OF THE RETAIL RATES
OF FLORIDA POWER & LIGHT
COMPANY.



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THE OFFICIAL TRANSCRIPT OF THE HEARING,
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PROCEEDINGS: MIAMI, FLORIDA SERVICE HEARING-

BEFORE: CHAIRMAN E. LEON JACOBS, JR.
COMMISSIONER J. TERRY DEASON
COMMISSIONER LILA A. JABER
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI

DATE: Wednesday, December 12, 2001

TIME: Commenced at 12:00 Noon
Concluded at 12:45 p.m.
and
Commenced at 6:05 p.m.
Concluded at 6:40 p.m.

PLACE: Crowne Plaza Hotel
Miami International Airport
950 N. W. LeJeune Road
Miami, Florida

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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3 Purnell & Hoffman, 215 S. Monroe Street, Suite 420,
4 Tallahassee, Florida 32301; JOHN BUTLER, Steel,
5 Hector & Davis, 200 South Biscayne Boulevard, Miami,
6 Florida 33131 and BILL HAMILTON, Vice President of
7 Customer Service, appearing on behalf of Florida
8 Power & Light Company.

9 ROGER HOWE, Office of Public Counsel,
10 c/o The Florida Legislature, 111 W. Madison Street,
11 Suite 812, Tallahassee, Florida 32399, appearing on
12 behalf of the Citizens of the State of Florida.

13 LINDA DODSON, FPSC Division of Legal Services, 2540
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15 appearing on behalf of the Commission Staff.

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22
23
24
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I N D E X

WITNESSES

PAGE NO.

Opening Statement by Mr. Hoffman	9
Opening Statement by Mr. Hamilton	9
Opening Statement by Mr. Howe	12

WITNESSES

NAME:

Statement by Ms. Herrer	13
Statement by Mr. Beckmann	15
Statement by Mr. Wyk	28
Statement by Ms. Bornstein	30

6:00 p.m Hearing

Opening Statement by Mr. Hoffman	36
Opening Statement by Mr. Hamilton	37
Opening Statement by Mr. Howe	39

WITNESSES

NAME:

Statement by Mr. Valdes	41
Statement by Mr. Jones	46

EXHIBITS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
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3 Notice of Public Hearing and
Affidavit of Publication

33

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CERTIFICATE OF REPORTER

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P R O C E E D I N G S

1
2 CHAIRMAN JACOBS: Good afternoon. My name is Leon
3 Jacobs, and I am Chairman of the Florida Public Service
4 Commission. I would like to welcome you to our hearing this
5 afternoon. Before I begin, let me introduce my colleagues, my
6 fellow Commissioners who are at the rostrum with me. To my far
7 left is Commissioner Michael Palecki. To my immediate left is
8 Commissioner Lila Jaber. To my immediate right is Commissioner
9 Terry Deason. To my far right is Commissioner Braulio Baez.
10 He is hosting our meeting this afternoon.

11 Before we begin, we will have counsel read the
12 notice.

13 MS. DODSON: Notice issued by the Clerk of the
14 Florida Public Service Commission on November 5th, 2001,
15 advises that a customer service hearing will be held in this
16 docket beginning at 12:00 noon, Wednesday, December 12th, 2001
17 at the Crown Plaza Hotel, Miami International Airport, Miami,
18 Florida.

19 This notice states that the purpose of this hearing
20 is to take testimony from members of the public concerning the
21 rates and charges of Florida Power and Light Company. The
22 procedure at this hearing will be as follows: The company will
23 present a brief summary of its case and then members of the
24 public may present testimony. Members of the public who wish
25 to present testimony are urged to appear promptly at each

1 scheduled service hearing, since the hearing may be adjourned
2 early if no witnesses are present to testify.

3 CHAIRMAN JACOBS: Thank, you. We will take
4 appearances.

5 MR. HOFFMAN: Thank you, Mr. Chairman. My name is
6 Kenneth Hoffman. I'm with the firm of Rutledge, Ecenia,
7 Purnell & Hoffman. Our address is 215 South Monroe Street,
8 Tallahassee, Florida 32301. I am appearing on behalf of
9 Florida Power and Light Company.

10 I would also like to introduce and enter an
11 appearance, the gentleman to my right in the first row,
12 Mr. John Butler. Mr. Butler is with the firm of Steel, Hector
13 and Davis. Their address is 200 South Biscayne Boulevard,
14 Miami, Florida 33131.

15 And, finally, Mr. Chairman, I would also like to
16 introduce directly to my left, Mr. Bill Hamilton. Mr. Hamilton
17 is the Vice President of Customer Service for Florida Power and
18 Light Company.

19 MR. HOWE: I'm Roger Howe with the Public Counsel's
20 office appearing on behalf of FPL's ratepayers.

21 CHAIRMAN JACOBS: Thank you. Let me also announce
22 that we have other Commission staff here. Ms. Thelma Crump and
23 Ms. Bridget Hoyle are greeting you outside, and Ms. Sandy
24 Moses, and they have been very instrumental in facilitating our
25 meeting here today.

1 As counsel mentioned, this is a part of our review of
2 Florida Power and Light's rates. This particular proceeding is
3 particularly important to us because here we -- I'm sorry, did
4 you make an appearance, staff counsel?

5 MS. DODSON: My name is Linda Dodson and I am on
6 staff with the Public Service Commission. And here with me
7 today on my right is Elizabeth Draper, and next to her is Frank
8 Paez, and Daniel Lee at the far end.

9 CHAIRMAN JACOBS: Thank you. I kind of jumped the
10 gun that time.

11 As I indicated, this is a particularly important part
12 of our deliberative process in that here we want to make sure
13 we give the public an opportunity to share with us your
14 experiences with the company, and more specifically to help us
15 understand your experiences with the level of service you have
16 received from the company.

17 This is a formal evidentiary proceeding. And what
18 that means is we will be recording all of our statements and
19 putting together a formal evidentiary record that will be the
20 basis of our decision. In that regard, any statements that you
21 make here today will be under sworn -- under oath I should say,
22 and in a few moments we will issue that oath to all of those
23 who are here to testify.

24 Also, if you have come and you would like to give
25 input but you are not really prepared or willing to come

1 forward and give us a verbal statement today, you probably
2 received a blue report at the time you signed in. On the next
3 to the last page of that document is a form on which you can
4 submit your written comments to us and they will become a part
5 of the record that we will consider.

6 Because of the need to keep our record, we have a
7 court reporter here, and we would ask that you come forward to
8 the rostrum and give us your name and address in advance of
9 giving us your statement. Also, we would appreciate it if we
10 can have only one person speaking at a time, that very much
11 helps our court reporter.

12 As was indicated earlier, you saw that there were
13 certain appearances made. The parties to this proceeding are
14 essentially the company and the Office of the Public Counsel.
15 Our staff works with us pretty much as -- you could consider
16 them a judicial assistant, if you will. They are going to be
17 assisting us in gathering that evidence and consolidating it
18 and analyzing it at the proper time. On the blue report it
19 indicates that we will be giving a final report in May. It
20 says 2001, but that should be 2002.

21 Now, following this process, the customer hearings
22 process, we will have a formal hearing in Tallahassee. At that
23 time we will have experts in the fields of law, economics,
24 accounting and finance and other areas and they will come and
25 give us information on the gut level details of the company's

1 operations. And, again, all of that will be the basis of our
2 decision that we will make in May of next year.

3 Before we begin with your statements and giving the
4 oath, we do have an opportunity for the parties to give an
5 opening statement and we will take those statements at this
6 time.

7 Mr. Hoffman.

8 MR. HOFFMAN: Thank you, Mr. Chairman. I would like
9 to begin by first thanking our customers who have taken the
10 time to appear today for this hearing. Secondly, I want to
11 assure our customers that we have a number of customer service
12 representatives who are here today and are prepared to talk to
13 our customers and help them address any customer service or
14 quality of service issues that they may have. And I would
15 encourage our customers to seek out these people for their
16 assistance. Specifically, we have a number of customer
17 representatives here. I would like to point our customers to
18 Ms. Carol Harzinski, who is on my left, who is with customer
19 service, as well as Mr. Ramon Ferrer, who is with power
20 systems.

21 With that, Mr. Chairman, I would, again, like to turn
22 it over to Mr. Bill Hamilton, who is Vice President of Customer
23 Service for the company's opening remarks.

24 CHAIRMAN JACOBS: Thank you.

25 MR. HAMILTON: Good afternoon. I am Bill Hamilton,

1 and I am Vice President of Customer Service for FPL. And I'm
2 pleased to be here and take part in this important aspect of
3 our review of base rates by the Florida Public Service
4 Commission.

5 Let me start by pointing out that we are not asking
6 for an increase in our base rates at this time. Despite the
7 fact that we are facing a weakening economy in Florida, a
8 continuing need to expand our facilities to meet customer
9 growth, and the fact that our expenses are increasing in
10 several areas of our operation. In fact, since our last base
11 rate increase, which was in 1985, we have actually decreased
12 our base rates by 10 percent, despite the fact that we have
13 added 1.3 million customers during that time frame.

14 In order to serve these 1.3 million customers, we
15 have had to expand our infrastructure. And I think the most
16 significant is that we have increased our generating capacity
17 during this time period by 42 percent. We are currently
18 operating under a rate agreement that was negotiated with
19 Mr. Jack Shreve and the Office of Public Counsel that called
20 for a reduction in base rates of \$350 million per year. And in
21 addition to that, it provided a mechanism for annual refunds to
22 customers. During the first two years of this three-year
23 agreement, we have refunded approximately \$128 million, and we
24 anticipate that we will have another sizeable refund at the end
25 of the current year that we are operating in.

1 In recent years we have focused a lot of FPL's
2 attention on improving the quality and the reliability of our
3 service. And, in fact, we have reduced by almost 50 percent
4 the number of minutes that a customer is without service during
5 a year. That is not to say that we are satisfied 100 percent
6 of the time. And, in fact, unfortunately I need to report to
7 you that last night while we were implementing a new computer
8 system that, in fact, operates part of the reliability of our
9 electric system, we had a glitch in that system which ended up
10 interrupting service to approximately 300,000 customers. All
11 of those customers were restored, I believe, within 13 minutes
12 and we have isolated the problem and are working on correcting
13 it.

14 We have also been working hard at FPL to improve our
15 customer service, offering more options to our customers for
16 billing and payment, offering the ability to conduct business
17 with us over the Internet, and providing for programs that
18 allow our customers to conserve energy and to save money. As
19 Mr. Hoffman pointed out, I would like to reinforce again that
20 we do have customer service representatives here today that
21 will attempt to address any issue, concern, or question that
22 our customers may have. And, Ramon and Carol, again, if you
23 would identify yourselves so customers make sure they know who
24 you are.

25 I also recognize there may be some customers here

1 that for whatever reason are not totally comfortable with
2 speaking at the forum. If you have issues or concerns, I hope
3 that you likewise would feel comfortable meeting with our
4 representatives, and we will be glad to address your concerns,
5 as well.

6 In closing, let me assure you that FPL is committed
7 to providing our customers with reliable power at low prices
8 well into the future. I thank you for your attention and for
9 allowing me to speak with you. Thanks.

10 CHAIRMAN JACOBS: Thank you. Mr. Howe.

11 MR. HOWE: Thank you, Chairman Jacobs. My name is
12 Roger Howe. I'm an attorney with the Office of Public Counsel.
13 I work for a gentleman, Mr. Jack Shreve, who has been the
14 Public Counsel for the State of Florida since 1978. Our office
15 is a agency, I guess you would call it, of the Florida
16 Legislature. We are independent of the Public Service
17 Commission, and we are charged by statute with representing
18 utility customers interests in matters before the Public
19 Service Commission. In that regard, we have intervened in this
20 docket.

21 We are engaged in a discovery process trying to learn
22 the details of the company's operations so we can better
23 represent the customers' interests. We will also be employing
24 experts to provide testimony at the May hearing you heard
25 Chairman Jacobs refer to. And if anybody would like to contact

1 our office and become more aware of the positions and so forth
2 that we are taking in this docket, feel free to give us a call.
3 We have a 1-800 number. It's 1-800-342-0222.

4 It was our office which in 1999 initiated the
5 proceeding before the Public Service Commission which led to
6 the rate reduction and the annual refunds that Mr. Hamilton had
7 referred to. Hopefully through this process we will arrive at
8 a result that adequately represents the customers' interests.
9 Thank you.

10 CHAIRMAN JACOBS: Thank you very much. And at this
11 time we would like to ask all of those who have come to give us
12 their statements this afternoon to rise and raise your right
13 hand to take the oath.

14 (Witnesses collectively sworn.)

15 CHAIRMAN JACOBS: Thank you very much. You may be
16 seated. Mr. Howe will call you up, I believe, in the order
17 that you signed in.

18 MR. HOWE: Yes. The first name I have is -- and I
19 will apologize in advance for any mispronunciations - Liz M.
20 Ferrer.

21 And if you would, please, state your name, your
22 address, and who you may be representing.

23 LIZ FERRER

24 was called as a witness on behalf of the Citizens of the State
25 of Florida and, having been duly sworn, testified as follows:

DIRECT STATEMENT

1
2 MS. FERRER: My name is Liz Ferrer from the City of
3 Coral Gables, the Public Works Department, 285 Paragon Avenue
4 in Coral Gables. And I wanted to mention this rate for -- the
5 new rate that actually FPL filed with the Public Service
6 Commission for a new premium lighting program. It was actually
7 a success, and the City of Coral Gables appreciated notice and
8 appreciated the cooperation from FPL to get this new rate and
9 this new program implemented to actually fulfill the needs or
10 you can say the dreams of the residents of Coral Gables to have
11 decorative lighting poles, decorative light poles for street
12 lighting. Their cooperation was, again, unbelievable because
13 it was actually a new rate. And, again, it was noticed their
14 cooperation, it was appreciated. But you can never be
15 recognized except telling you guys. If you have any questions.
16 We have implemented it in three places in the city.

17 COMMISSIONER DEASON: Well, that was my first
18 question, which you just answered. The second question is, is
19 this something that you approached FPL, or is it something that
20 you just found out after they came up with the concept?

21 MS. FERRER: It came, I think, from the residents and
22 the need, and they came to public works, the public works
23 department, and if that is -- I think that was the case. It
24 came actually from the residents.

25 COMMISSIONER DEASON: So there was a need expressed

1 by the residents?

2 MS. FERRER: The need, if I can say off the record
3 the dream maybe.

4 COMMISSIONER DEASON: Thank you.

5 COMMISSIONER PALECKI: Excuse me. Could you tell me
6 where in Coral Gables if we wanted to see the decorative
7 lighting where we could see it?

8 MS. FERRER: Harlano Street (phonetic), and I
9 remember there is a second site and the latest was the Gables
10 Estate. I can probably mark it on the map.

11 COMMISSIONER PALECKI: Thank you very much.

12 CHAIRMAN JACOBS: Thank you, Ms. Ferrer.

13 MR. HOWE: We would next call Fred Beckmann.

14 FRED BECKMANN

15 was called as a witness on behalf of the Citizens of the State
16 of Florida and, having been duly sworn, testified as follows:

17 DIRECT STATEMENT

18 MR. BECKMANN: For the record, my name is Fred
19 Beckmann. I am the Director of Public Works with the City of
20 Miami Beach. The address is 1700 Convention Center Drive,
21 Miami Beach, Florida.

22 Mr. Chairman and Commissioners, I am here to speak on
23 behalf of the administration of the City of Miami Beach.
24 Specifically to speak about the quality and service reliability
25 of the service provided by FPL. What I'm going to tell you, I

1 think, is a success story that certainly you should hear about.
2 I'm new to the City of Miami Beach, however I have with me my
3 assistant director who has lived through the experience of what
4 I'm going to tell you.

5 In 1997, the city had serious problems with
6 reliability. And FPL -- the administration, the city
7 administration approached FPL and told them to fix the problem.
8 Just to give you some statistics, at that time the residents
9 were complaining of excessive outages and the statistics proved
10 that. The average number of minutes that a resident or a
11 business in the City of Miami Beach was out of service in a
12 12-month period was about 212 minutes. So that is a data point
13 that I think you need to consider.

14 The company responded immediately, came up with a
15 plan of action. And in addition to that it was requested that
16 they make presentations to the City Commission every month.
17 And certainly those were done. But the more important part, I
18 think, is that the company in their plan of action proceeded
19 with improvements to the infrastructure that were badly needed.

20 For those of you that are probably not familiar with
21 the City of Miami Beach, there was explosive growth starting in
22 the early '90s, but certainly in '97. The city was just not
23 catching up to the growth of businesses and the growth in terms
24 of new condominium complexes and all of that. So FPL did the
25 right thing. They certainly replaced some of the aging

1 infrastructure and improved some of the infrastructure to be
2 able to provide the quality of service that I think the
3 residents of any city deserve.

4 The bottom line is after all of that -- and I know
5 that also I need to tell you that the improvements are
6 continuing. They are not done yet. But the figures that we
7 have for 2001 is an average now of 57 minutes, so I think that
8 is a great story to tell you in respect to the City of Miami
9 Beach.

10 In addition to that, being a new public works
11 director, I can tell you that any of the dealings that I have
12 had with FPL in terms of customer service are excellent. The
13 relationship that the city and the company have on a daily
14 basis in terms of operations is a good one. So the bottom
15 line, a success story from 212 minutes to 57 minutes, and they
16 will continue to improve that, I'm sure.

17 Any questions?

18 COMMISSIONER PALECKI: Did you work in the public
19 work area before you came to Miami Beach?

20 MR. BECKMANN: Yes.

21 COMMISSIONER PALECKI: In what city did you work?

22 MR. BECKMANN: I did not work with a city. I was a
23 captain in the United States Navy, Civil Engineer Corp. I am
24 very familiar with utilities. I hae dealt with this in
25 California, in the San Diego area, and also in the Norfolk area

1 in Virginia.

2 COMMISSIONER PALECKI: I just wanted to ask how the
3 quality of service now in the City of Miami Beach compares to
4 the other places that you have worked.

5 MR. BECKMANN: I don't have statistics that I could
6 probably compare. But in terms of California, most of the
7 cities that I am familiar with, the infrastructure is fairly
8 new because, again, most of the cities in California are fairly
9 new cities.

10 Certainly Miami Beach for many years was a city that
11 was not in the development stage, if you may. It was a city
12 that was in the down slope of development. So I suspect that
13 because of that, certainly the infrastructure was not kept up
14 to par. And now as Miami Beach was redeveloped, then
15 infrastructure is coming up to the level that I think it should
16 be.

17 But to answer your question, in the cities that I
18 have experienced with other utility companies, either in
19 California or in Virginia, certainly the infrastructure in my
20 opinion compared to what I have seen here was in better shape.

21 COMMISSIONER PALECKI: And how has the company
22 responded to storm situations when you have outages due to
23 storms?

24 MR. BECKMANN: The response is excellent from what I
25 know. Again, I have been with the city for only about six

1 months. In the six months I have been here certainly any time
2 we have had any issues, storm-related outages, the response has
3 been excellent.

4 COMMISSIONER PALECKI: Thank you.

5 MR. BECKMANN: Any other questions?

6 CHAIRMAN JACOBS: Thank you. Thank you very much,
7 Mr. Beckmann.

8 MR. HOWE: We would next call John Sydoriak.

9 JOHN SYDORIAK

10 was called as a witness on behalf of the Citizens of the State
11 of Florida and, having been duly sworn, testified as follows:

12 DIRECT STATEMENT

13 MR. SYDORIAK: Good afternoon, Commissioners. My
14 name is John Sydoriak. I live at 1140 Coral Way, Singer
15 Island, Florida. Also I have a company called Tankless Hot
16 Water Heaters, and I'm here to speak to you on a number of
17 different issues.

18 First, I would like to say happy holidays to all of
19 you. Recently in the newspaper there were articles about
20 Florida Power and Light wanting to increase the customer
21 billing from \$1.86 million for extra security next year, which
22 it was granted I was told recently by the Commission. And as
23 you know, across the country since we had this problem in New
24 York, there has been a concern about who does security in
25 particular nuclear plants. And it was stated that at one point

1 that the federal government wanted to come in and be the
2 security for different nuclear plants.

3 You granted Florida Power and Light the \$1.86 million
4 for extra security next year which is going to increase our
5 rates. And then just recently -- and by the way this was the
6 article and you notice how small it is, okay? And then
7 recently in the paper here comes out a big article about
8 Florida Power and Light and telling how they keep their
9 security tight and they don't need the government to take over
10 as far as their security. Now, one minute they need \$1.86
11 million, and the next minute they are saying how tight their
12 security is. Well, why did we give them \$1.86 million? Okay.

13 The second thing, they have asked for also a \$30
14 million increase for a storm fund which has not been granted as
15 of yet by the PSC, and won't be I was told until May of next
16 year. It concerns me on the consumer's point of view that
17 every time that Florida Power and Light needs money, of course
18 they come to the consumer. Like the rates for the security,
19 well, that's the price of being in business. They make
20 hundreds of millions of dollars per year. But yet it was
21 passed, and then they brag about how well their security is.
22 Here is the little article wanting the \$1.86 million. And here
23 is the big article saying how tight their security is. I think
24 it was unfair to the consumer.

25 Also, I am here on behalf of Tankless Hot Water

1 Heaters. You have got an article there, and also tankless
2 statistics that I presented to you. I'm going to read it out
3 verbatim. Florida Power and Light stated to a customer of ours
4 recently that if they had a \$70 a month bill, they would save
5 \$13 per month if they were to choose to go to a tankless hot
6 water heater. If you take that \$13 a month times 7 million
7 people, which they have on line plus, okay, that means the
8 consumer would save \$91 million per month.

9 If you take that 12 months times the \$91 million,
10 you're looking at over \$1,092,000,000 in savings for the
11 consumers per year. Let's face it, ladies and gentlemen, I am
12 a third generation native, born and raised here. I'm what you
13 call an endangered species. This state has two big problems;
14 one is water and one is electricity. If you take my electric
15 bill and it's on the other side, and divide the \$151.80, which
16 my electric bill was, into the kilowatts that I used, which was
17 1669, you come out to approximately 9.9 cents per kilowatt.

18 If you take that 9.9 cents per kilowatt which is
19 approximately -- 9.9 cents, which is approximately 11 kilowatts
20 per dollar and divide that into the \$1,092,000,000 that the
21 consumer would save per year, we would conserve almost 100
22 million kilowatts in this state. To be exact it's 99 -- two
23 hundred seventy-two, seven hundred and twenty-two thousand
24 kilowatts. And that's how much we would save.

25 FPL should encourage the consumer to convert to

1 tankless hot water heater. It's not new technology. It has
2 been in Europe for 30 years. They don't know what a hot water
3 heater is.

4 They should also institute a rebate program like they
5 have on high energy efficient rated air conditioners to the
6 consumers by, to convert to tankless hot water heaters. Isn't
7 it time that we even pass into legislation a law stating that
8 any new construction, whether commercial or residential, has
9 and is required to use a tankless hot water heater to conserve
10 energy?

11 They are giving us rebates on high energy efficient
12 rated A/Cs. Five years ago on a 3 ton 12 SEER high energy
13 efficiency rated A/C, the rebate was approximately \$350. Today
14 that same rebate is only \$205. Why are the rebates going down?
15 We need to conserve energy. They tried to years ago get
16 another nuclear plant built, it was shut down by the federal
17 government and you, okay. And we are told you all need --
18 Florida Power and Light needs to implement a savings program to
19 reduce electricity and conserve electricity. And that's
20 when -- thank you. And that's when the rebate program was
21 instituted.

22 I'm not here to try to beat up Florida Power and
23 Light. I'm a concerned Floridian and a consumer, okay. We
24 have got over 3,000 people moving in here per month in this
25 state. Pretty soon it's probably going to become a lottery

1 where only so many people can move into the state because of
2 the abundance of people moving to this beautiful state that we
3 do have. But if we don't recognize this situation that we have
4 had, it is not new, it's been around for 20 years, a concern
5 for water and electricity.

6 We should have been looking at reverse osmosis. But
7 back 15 years ago when I was in a meeting with the state ag
8 they said it was too expensive. I said, well, how much is it
9 going to cost when we have to do it? We need to conserve
10 energy any way and every way we can. And I don't feel that we
11 have really been doing it. We are spoiled, okay. We abuse
12 electricity and we abuse the water. Even I do at times. I'm
13 guilty of it. I will be the first to admit it.

14 But it is a concern of mine and my children and my
15 grandchildren and the same with yours. But if we can conserve
16 electricity, okay, by doing something like this, aren't we
17 bettering ourselves. Besides you don't have to worry about
18 your hot water heater blowing up, or bursting, or damaging.
19 And condominiums, I hear horror stories all the time.

20 When I run an ad in the newspaper to the consumer
21 about this, my phone rings over the hook. If I was to turn on
22 my cell phone right now my phone would be ringing off the hook.
23 And I've got consumers that will verify what I'm stating. In
24 the brochures that I gave you, it says it will save you up to
25 60 percent of your electric bill on your hot water side, or

1 about 18.5 percent of your gross electric bill. I've got a
2 consumer that will admit that.

3 You call Florida Power and Light, and they will admit
4 it this doesn't save 60 percent, it saves you 75 percent of
5 your electric bill on your hot water side if you had a tankless
6 hot water heater. And like I said, ladies and gentleman, it is
7 not new technology, it has been here for over 30 years in
8 Europe. Why aren't we using it? Why aren't we taking
9 advantage of it and conserving energy? We are not.

10 Years ago Florida Power and Light used to give you a
11 small rebate if you did what is called a heat recovery unit.
12 And to educate you a little bit about that, that's where you
13 tie your lines into your hot water heater from your condenser
14 to the outside of your residence. So when that condenser is
15 running it is stealing that heat to heat your hot water heater.
16 Well, they eliminated that rebate. Why? It was to conserve
17 energy. Why did they eliminate the rebate?

18 I strongly feel that the Commission should consider
19 that this be really looked into that a rebate program comes
20 into effect for tankless hot water heaters because it does
21 conserve energy. And that's why we are all here and that's
22 what we want to do, isn't it?

23 Thank you.

24 CHAIRMAN JACOBS: Mr. Sydoriak, I want to make sure
25 you understand -- and we will ask our staff to follow through

1 on the information you have given us. Much of the
2 consideration of energy efficiency measures are taken up in our
3 conservation cost-recovery docket which is a separate
4 proceeding from our general rate review. And there are some
5 particular criteria that govern how particular energy
6 efficiency measures are supported and authorized for the
7 company to promote.

8 But I want to ask that our staff pass this
9 information on to the proper staff people and get back to you
10 and give you a response on how this stacks up in that process.

11 MR. SYDORIAK: I would appreciate it, Mr. Jacobs.
12 And by the way, just to show you what it looks like, this is
13 what the system looks like. This is a tankless hot water
14 heater. It is a little more attractive than the big bulky
15 space taker of a hot water heater. Thank you.

16 COMMISSIONER DEASON: Let me just say one thing while
17 you are here, and thank you for coming. The Commission
18 routinely reviews proposals concerning conservation, and we
19 apply a three-pronged test, that being that the results have to
20 be monitorable, reportable, and verifiable. They have to
21 contribute to the company meeting its overall conservation
22 goals, because we do set a goal level for the company that we
23 require them to meet. And then, too, it has to be
24 cost-effective. So, those are the criteria that we apply. So
25 I just wanted you to be aware of that.

1 I think the Chairman has already indicated to staff
2 that he wants our staff to pursue this with Florida Power and
3 Light, and I would indicate to you that based upon past
4 precedence that if this particular application meets those
5 criteria, then it would be eligible for participation in that
6 program. But, it would have to -- our staff would have to do
7 the proper review, and I'm sure that Power and Light will
8 cooperate as staff conducts that review.

9 MR. SYDORIAK: Well, I know it would meet that
10 criteria, also. And not only -- let me just reemphasize one
11 thing. We have these systems installed from the home, to the
12 condo, to commercial, beauty salons, nail salons and
13 restaurants. These things replace an 80-gallon hot water
14 heater in a restaurant. You know why? That hot water heater
15 cannot keep up the amount of hot water that that dishwasher
16 needs. And our little bitty system does it for them.

17 Again, thank you very much and happy holidays.

18 COMMISSIONER PALECKI: One question. Does that
19 system work for the water requirements for an entire home or
20 would you need two or three of those for a whole house?

21 MR. SYDORIAK: Mr. Palecki, is it?

22 COMMISSIONER PALECKI: Yes.

23 MR. SYDORIAK: Mr. Palecki, each system will
24 accommodate up to a three bedroom, two and a half bath. There
25 are seven different models. And, again, my system is not the

1 only one out there. There is other systems out there. We feel
2 that we have the superior one because it has got the --
3 up-to-date as far as technology and the most compact one and
4 the less parts. And, of course, you know when you have more
5 parts, the more things can go wrong. Less parts, the less
6 things can go wrong, and that is why our system is so slick.
7 And, you know, I've got testimonials, I've got consumers that
8 will be more than happy to call you or I will give you their
9 names and phone numbers and they will call you.

10 You know, we need to conserve energy, folks. It's
11 getting scary. Look at Central Florida. You know, a few weeks
12 ago in Central Florida they were talking about running out of
13 water. It's scary. And the same thing is going to happen to
14 electricity. FPL is a hell of a company, they really are.
15 They have done an incredible job. All I'm trying to emphasize
16 is we need to conserve energy and we're not. We are to a
17 certain degree, but we are not going the full way that we can
18 go.

19 We are going to end up like California. The burnouts
20 they have, I don't know if you have any friends out in
21 California, but power goes out during the course of the day for
22 two and three hours at a time at residences. Hell, I don't
23 want that here. Do you?

24 Have a nice holiday, folks.

25 COMMISSIONER PALECKI: Thank you.

1 CHAIRMAN JACOBS: Thank you, Mr. Sydorciak.

2 MR. HOWE: We would next call Roy Van Wyk.

3 ROY VAN WYK

4 was called as a witness on behalf of the Citizens of the State
5 of Florida and, having been duly sworn, testified as follows:

6 DIRECT STATEMENT

7 MR. VAN WYK: Good afternoon, Mr. Chairman and
8 members of the Commission. My name is Roy Van Wyk. My office
9 is located at 111 Northwest First Street, Miami, Florida. I am
10 with Miami/Dade County, and I was asked by our administration
11 to come down here and speak specifically about the quality of
12 customer service that we have been receiving from FPL. We
13 are -- and I'm going to address this at two different levels.
14 The first one is the personal experience that our department
15 has had with FPL.

16 We are right in the process right now of building a
17 130,000 square foot facility for our new offices located in
18 West Dade. And the quality of customer service that we
19 received from our local rep was amazing. To the point where
20 somebody from the county manager's office made it a particular
21 instance to call and notify Florida Power and Light of the
22 quality of staff that they had out there. They were very
23 patient with us. They were patient with our contractors. They
24 returned when they needed to. They were prompt. And we are
25 very, very happy with the level of service that we, in

1 particular, received.

2 I am also the county's chief electrical official, and
3 we are responsible for more than half of the square area of
4 this county, a little over 2 million people. And on a daily
5 basis I am responsible to field calls that are between FPL
6 customers and our office as far as authorizing connection. And
7 I can tell you over the -- I have been doing this since 1986.
8 I have been with the building department and I have been in
9 senior management since 1991, and I can tell you that the level
10 of concern that I have seen from their customer service
11 representatives has been going up, and I'm really happy that we
12 have some of the people that FPL has down here in particular.

13 They show a level of concern for the customer that I
14 haven't seen in the past. I think we are seeing good things
15 from them. And I just wanted to take the time out to come down
16 here and share with you how happy we are with what is going on
17 with FPL, particularly in the customer service area. And if
18 you have any questions.

19 COMMISSIONER DEASON: Mr. Chairman, I have a
20 question. You indicated you are the county's chief electric
21 official, is that correct?

22 MR. VAN WYK: That is correct, sir. Chief electrical
23 inspector for the county.

24 COMMISSIONER DEASON: Inspector, okay. So it is your
25 responsibility when connections are made to make sure that they

1 meet code requirements for safety?

2 MR. VAN WYK: That is correct.

3 COMMISSIONER DEASON: Okay. I was just trying to
4 clarify that. Thank you.

5 CHAIRMAN JACOBS: Any other questions, Commissioners?
6 Thank you very much for coming, Mr. Van Wyk.

7 MR. VAN WYK: Thank you very much.

8 MR. HOWE: We would next call Joan Bornstein.

9 JOAN BORNSTEIN

10 was called as a witness on behalf of the Citizens of the State
11 of Florida and, having been duly sworn, testified as follows:

12 DIRECT STATEMENT

13 MS. BORNSTEIN: I am Joan Bornstein. I am the
14 President and CEO of Easter Seals, Miami-Dade. We have been in
15 this community serving the community for 60 years, and I have
16 been with Easter Seals since 1967. We serve 300 people daily,
17 and we have people who come daily for an Alzheimer day program,
18 a school for children, a medical rehab center, and a place for
19 vocational training.

20 We were in an old building and ten years ago we built
21 a new building and, of course, installed a new air conditioning
22 system. Last year it became totally inadequate. The system
23 would shut off at odd times, it would shut off on a Friday
24 afternoon and when we came in on Monday morning it was
25 unbearable. And several times we had to send the clients home

1 because we were afraid for their health.

2 We called Florida Power and Light to see if they
3 could come out and see if there was anything that we could do
4 to create a different kind of situation for our clients. I
5 would like to read to you just a very short excerpt. We put
6 out a quarterly newsletter to our donors, our supporters, our
7 clients, and this is excerpts of what we wrote about what
8 happened.

9 And it started out with Florida Power and Light
10 helped Easter Seals' Miami-Dade beat the heat this summer by
11 recommending that we change our air conditioning system from a
12 traditional one to a chilled water system that uses less
13 electricity particularly during peak daytime hours. With FPL,
14 and an Easter Seals board member who was knowledgeable, we
15 worked out a plan that would allow Easter Seals to conserve
16 energy by making ice overnight and then running water through
17 the ice during the day to create cold air. The price for night
18 electricity is about 25 percent less than during the day.

19 Working together with the capital improvement
20 committee from our board of directors, FPL engineers assessed
21 our cooling needs and made a recommendation for substantial
22 cost savings. A state of the art chilled water system was the
23 obvious choice. Once the board approved the plan, six full
24 storage ice tanks were installed in the rear of the property.
25 Now the 147 tons of ice storage keeps the building cool for up

1 to nine hours, allowing us to shut off our energy during the
2 most expensive part of the day. To aid the conversion, FPL
3 gave us a \$48,500 rebate to help offset the cost of the
4 conversion. That, coupled with the projected annual electric
5 savings of 12,000 every year, reduces Easter Seal's energy
6 bills by 25 percent. Besides, we are kept cool and
7 comfortable. Thank you.

8 CHAIRMAN JACOBS: Let's see if we have any questions
9 for you, Ms. Bornstein. Any questions? Thank you very much.

10 COMMISSIONER PALECKI: Thank you.

11 MR. HOWE: Chairman Jacobs, that's all the names I
12 have of individuals who indicated they wished to speak. I
13 would ask at this time are there any others who would like to
14 speak?

15 Chairman Jacobs, I would say that is all the
16 individuals who wished to speak.

17 CHAIRMAN JACOBS: Very well. Let the record reflect
18 that no one indicated that they would like to come up and
19 speak. As I indicated earlier, if there are those who would
20 like to give us their written comments, you are free to do so.
21 We welcome those. That would then bring our hearing this
22 afternoon to a conclusion. Mr. Hoffman.

23 MR. HOFFMAN: Thank you, Mr. Chairman. I would like
24 to ask that the Notice of Public Hearings and the Affidavit of
25 Publication be admitted into the record as, I believe this

1 would be Composite Exhibit 3.

2 CHAIRMAN JACOBS: Yes. We will mark this as Exhibit
3 3, being the affidavit of mailing in Miami-Dade.

4 MR. HOFFMAN: Right. It would be the notice of the
5 public hearing in the Miami Herald as well as the affidavit of
6 publication.

7 CHAIRMAN JACOBS: Very well. Show that marked as
8 Exhibit 3 and admitted into the record.

9 (Composite Exhibit 3 marked for identification and
10 admitted into the record.)

11 CHAIRMAN JACOBS: If there is nothing else to come
12 before us today, we thank you again for coming out and we
13 appreciate your comments. We are adjourned.

14 (The hearing adjourned at 12:45 p.m.)

15 * * * * *

16 CHAIRMAN JACOBS: Evening. It's about our starting
17 time, but in view of the traffic situation, I'm going to give
18 about five or ten minutes to see -- just to make sure if there
19 are some consumers who may be on their way, en route, to give
20 them time to get in, and then we will get started.

21 (Off the record.)

22 CHAIRMAN JACOBS: Good evening. My name is Leon
23 Jacobs. I'm Chairman of the Florida Public Service Commission,
24 and I would like to welcome you to our hearing this evening.
25 Let me introduce for you my colleagues who are at the rostrum

1 with me. To my far left is Commissioner Michael Palecki. To
2 my immediate left is Commissioner Lila Jaber. To my immediate
3 right is Commissioner Terry Deason. And to my far right is
4 Commissioner Braulio Baez.

5 As we begin, let me ask counsel to read the notice.

6 MS. DODSON: Notice issued by the Clerk of the
7 Florida Public Service Commission on November 5th, 2001 advises
8 that a customer service hearing will be held in this docket
9 beginning at 6:00 p.m. at the Crown Plaza Hotel, Miami
10 International Airport, Miami, Florida. The notice states that
11 the purpose of this hearing is to take testimony from members
12 of the public concerning the rates and charges of Florida Power
13 and Light Company.

14 The proceeding at this hearing will be as follows:
15 The company will present a brief summary of its case, and then
16 members of the public may present testimony. Members of the
17 public who wish to present testimony are urged to appear
18 promptly at each scheduled service hearing since the hearing
19 may be adjourned early if no witnesses are present to testify.

20 CHAIRMAN JACOBS: Thank you. Take appearances.

21 MR. HOFFMAN: Good evening, Mr. Chairman. My name is
22 Kenneth Hoffman. I am with the firm of Rutledge, Ecenia,
23 Purnell & Hoffman in Tallahassee, Florida. I am here on behalf
24 of Florida Power and Light Company. And I would also like to
25 introduce to my immediate left, Mr. Bill Hamilton, who is the

1 Vice President of Customer Service for FPL.

2 MR. HOWE: I'm Roger Howe with the Public Counsel's
3 Office appearing on behalf of Florida Power and Light Company's
4 customers and ratepayers.

5 MS. DODSON: I'm Linda Dodson, a member of staff with
6 the Public Service Commission. And here with me are Elizabeth
7 Draper on my left and Ernie Rencurrell and Daniel Lee.

8 CHAIRMAN JACOBS: Thank you. Let me also mention
9 that we have some other Commission staff with us here. We have
10 Bridgett Hoyle and Thelma Crump and Sandy Moses who are very
11 instrumental in facilitating our meeting today.

12 As counsel indicated, we are here as part of our
13 deliberation considering the rates of Florida Power and Light
14 going forward. This hearing is a very important part of those
15 deliberations in that we are here to hear the experiences of
16 the consuming public, and particularly we are concerned about
17 the quality of service that you receive from the company.

18 As indicated, this is a formal proceeding, and in
19 that regard statements that you make for us will be under oath
20 and we will issue that oath in a short due time. We would ask
21 as you give your statements if you would come forward and speak
22 at the rostrum. We have a court reporter and that would
23 facilitate her documenting your statements for us. For that
24 same reason, also, we would ask as a witness speaks that we
25 only have one person talking at a time.

1 We have had several other customer hearings in
2 Florida Power and Light's service territory, and we will have
3 two more tomorrow. At the completion of those, we will then
4 have a technical hearing that will be held in Tallahassee
5 later. And at the end -- at that technical hearing we will
6 have -- consultants will come in and give us their views on
7 such matters as law and finance and economics and tax issues.
8 And then at the end of that we will have a complete record from
9 which we will make our decision.

10 If you would like -- and, I'm sorry, if you are
11 hesitant to give a verbal statement this evening, but you would
12 like to give us your comments, you should have received a blue
13 report when you came in this evening. On the next to the last
14 page of that report you should find a form where you can submit
15 to us your written comments and they will become a part of the
16 formal record in this matter.

17 Presently, the Commission is expected to render its
18 final decision on this docket in May, presently scheduled for
19 May 31st, 2002. That is a correction from your report, which
20 says 2001, obviously. Before we issue the oath and begin
21 taking your statements, we will have opening statements by the
22 parties, and we will begin with the company. Mr. Hoffman.

23 MR. HOFFMAN: Thank you, Mr. Chairman. Very briefly,
24 I want to first thank on behalf of the company those customers
25 who have taken the time to attend this service hearing this

1 evening. I want to draw their attention to the fact that we
2 have a number of customer service representatives who are
3 present tonight who are here to help them and assist in
4 addressing any service quality issues or customer service
5 issues that they may have.

6 In connection with that, I would point them directly
7 to two individuals who are sitting in the back on the left.
8 First, Ms. Carol Hartinski, who is with customer service.
9 Actually that is Carol Harzinski, excuse me, Carol. And Ramon
10 Ferrer, who is with power systems, and they are here to help.

11 With that, Mr. Chairman, I would like to turn it over
12 to Bill Hamilton, who is Vice President for Customer Service
13 for FPL.

14 MR. HAMILTON: Thank you, and good evening. My name
15 is Bill Hamilton, and I am Vice President of Customer Service
16 for FPL, and I am pleased to be here and take part in this
17 important aspect of the review of our base rates by the Florida
18 Public Service Commission.

19 Let me start by pointing out that Florida Power and
20 Light Company is not requesting an increase to our base rates
21 despite the fact that we face a weakening economy in Florida,
22 and we have a continuing need to expand our facilities to meet
23 customer growth, and we are also experiencing an increase in
24 cost in several parts of our operation.

25 In fact, in our last rate case, which was in 1985, or

1 since our last rate case in 1985, our rates have actually been
2 decreased by 10 percent despite the fact that we have added 1.3
3 million customers in our service territory since that time.

4 In order to meet that growth of 1.3 million
5 customers, we have had to expand our facilities. I think most
6 importantly to note is that we have increased our generating
7 capacity by 42 percent since 1985. We are currently operating
8 under a rate agreement which was negotiated with Mr. Jack
9 Shreve and the Office of Public Counsel and approved by the
10 Florida Public Service Commission. That three-year rate
11 agreement called for the reduction in our base rates of \$350
12 million per year in our base rates, and in addition, allowed
13 for or provided for a mechanism that allowed for annual refunds
14 to customers.

15 In the first two years of that three-year agreement
16 we have refunded approximately \$128 million to our customers
17 and we anticipate that we will have a sizeable refund that we
18 will be given in the spring of next year, which will be the
19 third of those refunds.

20 During the last few years, FPL has focused its
21 attention on improving the quality and reliability of service
22 that we offer to our customers. And I am pleased to tell you
23 that in those few years, we have reduced by some 50 percent the
24 number of minutes that a customer can expect to be without
25 service during the course of a year. That is not to say that

1 we are 100 percent satisfied and we are still committed to look
2 for creative and new and different ways to continue to provide
3 better service to our customers.

4 We have also worked hard in the areas of customer
5 service to provide customers with alternative methods for
6 paying their bill and for receiving their bill and for the
7 opportunity to conduct business with us over the Internet. And
8 we have also provided programs which help customers save money
9 and conserve energy.

10 As Mr. Hoffman pointed out, we do have customer
11 service representatives here tonight that are willing to assist
12 you with any issue, concern, or question that you may have. We
13 will attempt to resolve any issue that you have on the spot.
14 But if we are unable to do so, we will commit that we would get
15 back with you with an answer to your question or concern within
16 24 hours. I recognize, too, that there may be customers here
17 that for whatever reason might not want to speak at the podium.
18 And if that is the case, but you still have a question or
19 concern, we would be pleased to assist you, as well.

20 In closing, let me assure you that FPL is committed
21 to providing our customers with reliable power at low prices
22 for well into the future. I appreciate your attention and the
23 opportunity to speak with you tonight. Thank you.

24 CHAIRMAN JACOBS: Thank you. Mr. Howe.

25 MR. HOWE: Thank you, Chairman Jacobs. Good evening.

1 I'm Roger Howe. I am an attorney with the Office of Public
2 Counsel in Tallahassee. I work for a gentleman, Mr. Jack
3 Shreve who Mr. Hamilton referred to. Mr. Shreve is the Public
4 Counsel for the State of Florida and has been in that position
5 since 1978. Our office is a statutory office created under a
6 joint committee of the Florida Legislature. That type of
7 formation gives us a great deal of independence. We do not
8 work for the Public Service Commission, and it is our job to
9 advocate on the ratepayers' behalf in matters under the Florida
10 Public Service Commission's jurisdiction.

11 As part of those responsibilities, it was our office
12 that initiated the proceeding that Mr. Hamilton referred to
13 that led to the revenue -- the rate reduction and the revenue
14 refunds over the three-year period ending in April of 2002.
15 And we have intervened in this docket and will be hiring
16 experts to provide testimony on relevant issues. We are in the
17 process of discovery as it's called. It is a civil process of
18 obtaining additional information so we can learn exactly what
19 the underlying information is that supports the company's
20 finances and operations. And we will be advocating, as we
21 always have, on the customers' behalf in this docket. Thank
22 you very much.

23 CHAIRMAN JACOBS: Thank you very much. At this time
24 I would like to ask all consumers who have come to testify
25 before us this evening to stand and raise your right hand and

1 we will administer the oath.

2 (Witnesses collectively sworn.)

3 CHAIRMAN JACOBS: Thank you very much. You may be
4 seated.

5 Mr. Howe will call you up.

6 MR. HOWE: Thank you, Chairman Jacobs. We would
7 first call Mr. Jose Valdes. I would ask that you give your
8 name and address for the record, please. And if you are
9 representing any organization to please identify it.

10 JOSE VALDES

11 was called as a witness on behalf of the Citizens of the State
12 of Florida and, having been duly sworn, testified as follows:

13 DIRECT STATEMENT

14 MR. VALDES: No, no. It's my home, it's not my
15 business. Although I don't live here in Dade, I live in the
16 next county, which is Broward, I used to live in Dade here
17 before for a number of years.

18 MR. HOWE: I'm sorry to interrupt. Could you state
19 your name and address so the court reporter could --

20 MR. VALDES: Yes. My name is Jose A. Valdes, and I
21 live in Hollandale, Broward County, Florida. And it's about a
22 deposit. It's the third time that they have been, you know,
23 requiring me for such. And not only that, I am here in Dade
24 because my mother lives here in Miami. She is a 70-year-old
25 lady. And, again, you know, she has been required another

1 deposit, and I am here on behalf of her.

2 COMMISSIONER JABER: The deposit that FPL asked you
3 for is actually the deposit for your mother's residence, or is
4 it for your --

5 MR. VALDES: Oh, no. She has the same case that came
6 in today. And as for me, you know, it's different, because I
7 live in Broward, she lives here in Dade.

8 COMMISSIONER JABER: So you both have been asked for
9 additional deposits is what you are saying?

10 MR. VALDES: Correct.

11 COMMISSIONER JABER: All right. Each time you were
12 contacted by FPL, did they straighten out the situation, or how
13 was it resolved?

14 MR. VALDES: Not quite. I was just given a deadline
15 until, you know, next month.

16 CHAIRMAN JACOBS: Was there an event or an exchange
17 between you and the company that premised or prompted the
18 request for an additional deposit? Was there an exchange that
19 kind of prompted that, or did you have no notice that you would
20 be required to provide an additional deposit?

21 MR. VALDES: No, not that I -- I didn't think so.

22 CHAIRMAN JACOBS: Okay. And you received a request
23 by mail, or a call, you said?

24 MR. VALDES: Mail.

25 CHAIRMAN JACOBS: And did that correspondence

1 indicate a reason for the request for an additional deposit?

2 MR. VALDES: Well, whatever the reason, I think it's
3 too high for a person who lives on a fixed income. You know,
4 maybe I think it is -- like I said, again, you know, some
5 people, you know, can do it, some others, you know, it's not
6 within their reach. And this is the case.

7 CHAIRMAN JACOBS: Are you at liberty -- and your
8 mother lives alone?

9 MR. VALDES: My mother lives with her husband, and
10 she is the only source of income in the house.

11 CHAIRMAN JACOBS: Okay.

12 COMMISSIONER JABER: Mr. Chairman, I would note that
13 the utility has offered their customer service representatives.
14 Perhaps Mr. Valdes can give the company his address and his
15 mother's address and they could take a closer look at the
16 situation. But I would also note that we have staff that needs
17 that information, as well, and perhaps we could correspond back
18 to Mr. Valdes.

19 CHAIRMAN JACOBS: Here would be my suggestion,
20 Mr. Valdes. Probably, if you would, speak with the
21 representatives from the company this evening and then let us
22 know if you get that resolved. That would be helpful.

23 MR. VALDES: Yes. I also did send to Tallahassee
24 this whole predicament, this whole issue before, about a week.

25 CHAIRMAN JACOBS: You sent it to the Public Service

1 Commission?

2 MR. VALDES: Right, correct.

3 CHAIRMAN JACOBS: And so do you know that you have a
4 complaint file that will has been opened on this matter or not?
5 I assume so. If you sent it to our office, it probably was
6 referred to our consumer services division. And I was just
7 going to mention to you that you could call in this evening,
8 but since you have already done that, that probably wouldn't be
9 necessary. You may want to call to confirm that it was
10 received. And we will give -- there is a phone number, there
11 is a gentleman who is there this evening who can research that
12 for you. And if you have a pencil, I will give you that
13 number, or get with our staff, they can give it to you. But he
14 can be reached at area code 850-413-6121, and he will be there
15 until 9:00 p.m.

16 MR. VALDES: 6121?

17 CHAIRMAN JACOBS: Correct. Now, I would mention
18 this, there are provisions that we allow the companies to -- on
19 deposit policy there are certain latitude they have in how they
20 exercise it and implement that policy. And so long as they are
21 within the bounds of those provisions, they generally follow
22 within what they are required to do. We will like -- I would
23 like to understand what brought you to this point where you had
24 to have an additional deposit and whether or not it is within
25 those bounds. And if we can assist even beyond that we would

1 like to be able to do that, but let's figure out what is
2 available to you tonight and then we will go from there. Is
3 that okay?

4 MR. VALDES: I appreciate it.

5 CHAIRMAN JACOBS: Does that complete your statement?

6 MR. VALDES: Yes. Most of all it was for the --
7 excuse me. The extra deposit, not the first or the second, but
8 the third, you know. That's it.

9 CHAIRMAN JACOBS: When you say first or --

10 MR. VALDES: That's my complaint.

11 CHAIRMAN JACOBS: You have been asked for an
12 additional deposit on more than one occasion, is that what you
13 are saying?

14 MR. VALDES: That is correct.

15 CHAIRMAN JACOBS: Okay. You have given that deposit
16 on each occasion?

17 MR. VALDES: Of course. I have all the papers,
18 everything in writing with me.

19 CHAIRMAN JACOBS: And is that also the case for your
20 mother, as well?

21 MR. VALDES: Correct. True.

22 CHAIRMAN JACOBS: Very well. Thank you very much,
23 then. And I will check with you before we convene -- before we
24 adjourn to see what your results are.

25 MR. VALDES: Thank you, sir.

1 CHAIRMAN JACOBS: Thank you.

2 COMMISSIONER PALECKI: Thank you.

3 MR. HOWE: We would next call Mr. Lorenzo Jones.

4 LORENZO JONES

5 was called as a witness on behalf of the Citizens of the State
6 of Florida and, having been duly sworn, testified as follows:

7 DIRECT STATEMENT

8 MR. JONES: Good evening. My name is Lorenzo Jones
9 of 4745 Northwest 23rd Court, Miami, Florida. I don't have any
10 complaints exactly. I have some service props for FPL. I am
11 the president of my homeowners association, Treasure Heights
12 Homeowners Association. It's a division of Liberty City. On
13 the tax rolls it is called Treasure Heights, my particular
14 area, but it is a division of Liberty City, the inner city of
15 Miami.

16 And just through community activism I have had the
17 occasion to meet several of the FPL personnel. And I recently
18 sat on, I guess it was a viability study referencing some grids
19 that FPL needed to attempt to run, to select the best routes.
20 And I sat on several meetings. And during the course of that I
21 met several of the -- I met other homeowners and neighborhood
22 persons and a number of the FPL persons.

23 But my main interest here tonight was to come to
24 really applaud FPL on some things that I found quite hard to
25 get done in my community relative to some lighting. And it

1 really wasn't their issue. And they just stepped up to the
2 plate and got the job done. There is some crime in my
3 neighborhood, as in all neighborhoods, but it was my contention
4 and a lot of homeowners that the lighting was a major problem,
5 lack of, in some areas where there was a concentration of
6 criminal activity, loitering, and such. And through the
7 meetings with the viability study for FPL to try to determine
8 the best route for some of their power grids, I just -- I spoke
9 initially with Syd Cohen (phonetic) of FPL, and he referred me
10 to Manny Rodriguez and Eloy (phonetic), the two FPL persons in
11 the back there. And I was just thrilled to death that we got
12 things done.

13 The lighting situation, I had been trying to address
14 the lighting with Dade County, which this is in my community.
15 It was specifically the housing. What is it, the subsidized
16 housing. There is a project in my community and the lights had
17 been off for three years around that property. And they are
18 not FPL lights, they are maintained by the county and the
19 housing or whomever, but they weren't FPL's. So I kept getting
20 the run around. This person said some kids were shooting them
21 out with BB guns and everybody was sending me back and forth
22 with the nonsense and the job just wasn't getting done. But
23 lack of lighting was really creating a major problem, impeding
24 the police ability to be proactive in the crime thing, and just
25 generally lack of lighting created problems.

1 I mentioned that to some of the FPL persons at the
2 viability study for the grid business, and mind me, this was
3 three years that the lights just had been out, and there was
4 some people that had problems that tried to take advantage of
5 dark lighting. I mentioned it to the FPL personnel, and in a
6 month, maximum, FPL personnel came out, and there had to be at
7 least 40 or 50 lights that were out in the neighborhood and
8 particularly in and around the public housing. The public
9 housing was the problem, not so much the people in the housing,
10 but just -- they just -- it just attracted. Lack of lighting
11 attracts the criminal element.

12 And within a month's period of time just by virtue of
13 having, you know, attended some of the meetings, because that's
14 what I do, I'm an activist guy in my community, they came out,
15 they installed new lighting, bulletproof fixtures so the BB gun
16 thing and all of this was a mute issue, and the lighting hasn't
17 been out since. The bulbs are just going to run their term,
18 you know, whatever the life of the light bulbs they are just
19 going to run. And I'm just really happy about that. The
20 community on behalf of Treasure Heights and my community, that
21 little area that I'm referring to, Treasure Heights, part of
22 Liberty City, you know, I'm here really to thank FPL and their
23 staff for really stepping up to the plate and getting that job
24 done. Because it really -- and the police, the police have
25 been able to do a better job now because they can see what's

1 going on.

2 And essentially that's why I'm here. And I'm also
3 here to collect my part of this \$100 million. Just kidding.
4 (Laughter.) But, you know, a refund. But I'm really here to
5 just thank these guys, because it was a problem. And, you
6 know, there is nothing in this for me, I just appreciate good
7 service.

8 And there was another instance where -- I'm an
9 electrician by trade, by the way. I live at the end of a
10 street. This was about two years ago, I guess. And I'm at the
11 end of the street, so the voltage drop at my house -- I'm at
12 the end of the street, and there is a couple of people that
13 have added this and added that, so the voltage drop was
14 significant when it got to my house. And I had a new central
15 air conditioner installed in my home. And when the air
16 conditioner kicked in the lights just dimmed. It was a little
17 bit of a problem. Somebody tried to convince me that I had
18 problems with my house. But I said, "I know what is happening
19 here, it's just a voltage drop, and I'm checking it out."

20 FPL stepped up to the plate again. They put a
21 transformer right where it was needed. But they concurred with
22 my assessment that the problem was a voltage drop at that point
23 and they put a transformer, it's right there in front of my
24 home, and now the service is wonderful. The lights are not
25 dimming when loads are placed on them. And so that is

1 generally all I have to say. And I want to thank you guys. I
2 appreciate it. But that's what I'm here for.

3 COMMISSIONER JABER: Mr. Jones, may I ask you a
4 question? Who paid for the street lights that were put into
5 your neighborhood?

6 MR. JONES: I don't know who paid for what. I know
7 FPL, once I spoke with Syd Cohen and Manny, they came by house,
8 I think, two days later, within three weeks, less than a month
9 the lighting was up and running. I saw the FPL guys in the
10 trucks, I saw the FPL personnel installing the lights. I saw
11 that and I spoke with them. So I don't know who took care of
12 the monetary considerations.

13 COMMISSIONER JABER: But as far as you know it wasn't
14 your neighborhood association?

15 MR. JONES: Oh, absolutely not.

16 COMMISSIONER JABER: Let me ask you just a big
17 picture question. One of the things, of course, we are looking
18 at is the \$100 million that you were referring to earlier. If
19 any, what might be the refund amount. If more projects like
20 the one you referenced here tonight could be implemented in
21 lieu of some amount of refund, is that something you think the
22 neighborhood associations would welcome?

23 MR. JONES: Well, I'm sure any rebates would be
24 welcome. You know, I'm sure they would. You know, the economy
25 is what it is right now, and I'm sure everybody is suffering.

1 And I heard the FPL spokesman say they are doing some things,
2 you know, after this 11th business in New York and the whole
3 country is at war and, you know, things aren't well
4 economically. But I'm sure some sort of consideration would be
5 appreciated, absolutely.

6 COMMISSIONER JABER: Thank you.

7 MR. JONES: Thank you.

8 CHAIRMAN JACOBS: Any other questions? Thank you
9 very much, Mr. Jones.

10 MR. JONES: Thank you.

11 MR. HOWE: Chairman Jacobs, I do not have any other
12 names on the list at the moment. Are there any other members
13 of the public, customers of Florida Power and Light Company
14 that would like to provide statements to the Commission?

15 CHAIRMAN JACOBS: Thank you. Let the record reflect
16 that no one has indicated a desire to address us this evening.
17 That would bring us to the close of this evening's hearing. I
18 want to thank you for coming out. Mr. Hoffman, did you have --

19 MR. HOFFMAN: Mr. Chairman, the Composite Exhibit 3
20 that was entered into the record at the noon hearing, which was
21 the notice of public hearings and the affidavit of publication
22 that was published in the Miami Herald and the El Nuevo Herald
23 contain notice for both the noon hearing and for this evening's
24 hearing, so I think that that exhibit, that composite exhibit
25 fulfills the notice requirements for both hearings here in

1 Miami.

2 CHAIRMAN JACOBS: Very well.

3 MR. HOWE: Chairman Jacobs, were you going to revisit
4 Mr. Valdes' customer deposit issue before we adjourned?

5 CHAIRMAN JACOBS: Yes, we can do it. Unless the
6 Commissioners want to get that resolved on the record, I'm fine
7 with doing that off the record. But I do want to make sure
8 that his issues were addressed.

9 And if there is nothing else before us this evening,
10 thank you, and we adjourned.

11 (The hearing adjourned at 6:40 p.m.)

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1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

4
5 I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter
6 Services, FPSC Division of Commission Clerk and Administrative
7 Services, do hereby certify that the foregoing proceeding was
8 heard at the time and place herein stated.

9 IT IS FURTHER CERTIFIED that I stenographically
10 reported the said proceedings; that the same has been
11 transcribed under my direct supervision; and that this
12 transcript constitutes a true transcription of my notes of said
13 proceedings.

14 I FURTHER CERTIFY that I am not a relative, employee,
15 attorney or counsel of any of the parties, nor am I a relative
16 or employee of any of the parties' attorney or counsel
17 connected with the action, nor am I financially interested in
18 the action.

19 DATED THIS 26th day of December, 2001.

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JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
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Stan MacNeill

who on oath says that he is an

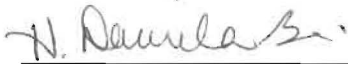
Account Executive

of The Miami Herald, a daily newspaper published at Miami in Dade County, Florida; that the advertisement for **FPL** appeared in said newspaper in the issues of:

The Miami Herald, Wednesday, December 5, 2001, page 23A

El Nuevo Herald, Wednesday, December 5, 2001, page 16A

Affiant further says that the said Miami Herald is a newspaper published at Miami, in the said Dade County, Florida and that the said newspaper has heretofore been continuously published in said Dade County, Florida, each day and has been entered as second class mail matter at the post office in Miami, in said Dade County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement.



H. Daniela Barrios

Sworn to and subscribed before me

This 7th day of December, 2001



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COMPANY/

WITNESS: Florida Power & Light

DATE: 12-12-01

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The Florida Public Service Commission will hold public hearings as part of its review of Florida Power & Light Company's rates. The purpose of these hearings is to provide customers of Florida Power & Light an opportunity to testify before the Commission on the quality of service by Florida Power & Light. A public hearing in your area will be held at the following time and place:

Wednesday, December 12th

12:00 Noon - 3:00 PM and 6:00 PM - 9:00 PM

Crowne Plaza Hotel

Miami International Airport

950 NW LeJeune Road

Miami, FL 33126

Customers who wish to present testimony are urged to appear at the beginning of the hearing, since the hearing may be adjourned early if no witnesses are present to testify.

Written customer comments regarding Florida Power & Light's service or rates should reference Docket No. 001148-EI and be addressed to: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.



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idad de que surjan allí casos de ántrax, pero hasta el momento esto no ha ocurrido, dijo

viesen potencialmente en peligro de "cualquier tipo de contaminación", dijo Koplan.

les. Nguyen murió en octubre Lundgren en noviembre.

En las residencias y los locales frecuentados por ambas se hicieron pruebas de ántrax que arrojaron resultados negativos. Pero en un centro postal de Connecticut que procesaba el correo para Oxford se hallaron vestigios de ántrax. También se halló una espora de la bacteria en una carta enviada a una dirección cercana a la residencia de Lundgren.

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Público de la Florida (Florida Public Service Commission) llevará a cabo audiencias públicas como parte de su revisión de las tarifas de Florida Power & Light Company. El propósito de estas audiencias es el de brindar a los usuarios de Florida Power & Light Company una oportunidad para testificar ante la Comisión sobre la calidad del servicio de Florida Power & Light. Habrá una audiencia pública en su área a la siguiente hora y lugar:

Miércoles, 12 de diciembre, 2001

12:00 del mediodía a 3:00 PM y 6:00 PM – 9:00 PM

Crowne Plaza Hotel

Miami International Airport

950 NW LeJeune Road

Miami, FL 33126

Agradeceremos a los usuarios que deseen expresar sus testimonios que lleguen temprano a la audiencia y estén en el lugar desde el principio, ya que la misma terminará temprano si no hay testigos presentes para testificar.

Los comentarios por escrito en relación con el servicio o tarifas de Florida Power & Light deben referirse al Docket No. 001148-EI, y enviarse a: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.



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